NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88-198(R) Texas Paid-Up (2/93)

THIS AGREEMENT made this

 $22^{nd}$ 

## OIL, GAS AND MINERAL LEASE (PAID-UP LEASE)

\_ day of January

\_\_\_\_\_\_, 20 \_09

| Drive, Burleson, Texas 76028  | drilling and mining for and producing oil, gas<br>led) and the exclusive right to conduct explora<br>acilities for the disposition of salt water, laying   | (including all gases, liquid hydrocarbons<br>ation, geologic and geophysical tests and<br>ing pipelines, housing its employees and   |
|---|--|--|
| Drive, Burleson, Texas 76028  and Devon Energy P.O. Box 450, Decatur, Texas 76234  1. Lessor in consideration of Ten or more Dollars, in hand paid, of the royalties herein pro exclusively unto Lessee the lands subject hereto for the purpose of investigating, exploring, prospecting, and their respective constituent elements) and all other minerals, (whether or not similar to those mentior surveys, injecting gas, water and other fluids and air into subsurface strata, establishing and utilizing fluiding roads, tanks, power stations, telephone lines and other structures thereon to produce, save Tarrant  County, Texas, and described as follows:  0.285 acres of land, more or less, situated in the Abner Lee Surrant Hongs of the City of Fort thereof recorded in Cabinet A, Slides 6919, Plat Records, Tarrant   | ; WITNESSETH:  vided, and of the agreement of Lessee herein drilling and mining for and producing oil, gas ed) and the exclusive right to conduct explora collities for the disposition of salt water, laying  | , Lessee; whose address is  contained, hereby grants, leases and lets (including all gases, liquid hydrocarbons ation, geologic and geophysical tests and ing pipelines, housing its employees and   |
| P.O. Box 450, Decatur, Texas 76234  1. Lessor in consideration of Ten or more Dollars, in hand paid, of the royalties herein pro exclusively unto Lessee the lands subject hereto for the purpose of investigating, exploring, prospecting, and their respective constituent elements) and all other minerals, (whether or not similar to those mention surveys, injecting gas, water and other fluids and air into subsurface strata, establishing and utilizing fluiding roads, tanks, power stations, telephone lines and other structures thereon to produce, save Tarrant  County, Texas, and described as follows:  0.285 acres of land, more or less, situated in the Abner Lee Sur 10, Block 12, Thomas Crossing, an addition to the City of Fort thereof recorded in Cabinet A, Slides 6919, Plat Records, Tarran  | ; WITNESSETH:  vided, and of the agreement of Lessee herein drilling and mining for and producing oil, gas ed) and the exclusive right to conduct explore teilities for the disposition of salt water, layi  | contained, hereby grants, leases and let-<br>(including all gases, liquid hydrocarbon:<br>ation, geologic and geophysical tests and<br>ing pipelines, housing its employees and  |
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| 10, Block 12, Thomas Crossing, an addition to the City of Fort thereof recorded in Cabinet A, Slides 6919, Plat Records, Tarrar   |  |  |
| FOR ADDITIONAL PROVISIONS SEE EXHIBIT "A" ATTAC   | Worth, Tarrant County, Texa  |  |
| This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the surveys, although not included within the boundaries of the land particularly described above. The lane execute any lease amendment requested by Lessee for a more complete or accurate description of purpose of calculating any payments hereinafter provided for, said Land is estimated to comprise 0.2 Lessee requests a lease amendment and same is filled of record.  2. Subject to the other provisions herein contained and without reference to the commencement lease shall be for a term of three (3) years from this date (called "primary term") and as long thereafter a or land with which said Land is pooled hereunder. The word "operations" as used herein shall include by   | land particularly described above, whether the covered by this lease shall be hereinafter resaid Land and such amendment shall include to a cres, whether it actually prosecution or cessation of operations and/or oil, gas, or other minerals is produced from the total belimited to any or the following; prepare  | he same be in said survey or in adjacent<br>ferred to as said Land. Lessor agrees to<br>words of present lease and grant. For the<br>comprises more or less until such time a<br>or production at any time hereunder, this<br>or operations are conducted on said Land<br>uring drillsite location and/or access road  |
| drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a well in other actions conducted on said lands associated with or related thereto.  3. The royalties to be paid by Lessee are: (a) on oil delivered at the wells or into the pipeline to woil produced and saved from said Land; Lessee may from time to time purchase any royalty oil in its possdate of purchase or Lessee may sell any royalty oil in its possession and pay Lessor the price received by the cost of treating the oil to render it marketable pipeline oil or, if there is no available pipeline, Lessor' all gases, processed liquid hydrocarbons associated therewith and any other respective constituent elements off the premises or for the extraction of gasoline or other product therefrom, the market value at exceed the amount received by Lessee for such gas computed at the mouth of the well, and provided furt from such sale, it being understood that Lessor's interest shall bear one-eighth of the cost of all compres at the wells; (c) on all other minerals mined and marketed, one-tenth either in kind or value at the well of participating royalty interests, in said Land, whether or not owned by Lessor and whether or not effective set forth herein. Lessee shall have free use of oil, gas and water from said Land, except water from L injection and secondary recovery operations, and the royalty on oil and gas shall be computed after deduce.  4. If at the expiration of the primary term or at any time or times after the primary term herein, the or land or leases pooled therewith but oil or gas is not being sold or used and this lease is not then be (unless released by the Lessee), and it shall nevertheless be considered that oil and/or gas is being produce. | search for or in an endeavor to obtain product hich the wells may be connected, one-eighth ession, paying the market price therefor prevate the Lessee for such oil computed at the well; interest shall bear one-eighth of the cost of a mis, casinghead gas or other gaseous substant the well of one-eighth of the gas so sold or upper on gas sold at the wells the royalty shall be interesting, dehydrating and transporting cornine, at Lessee's election. Any royalty interests of wells, in all operations which Lessee entire in a well or wells capable of producing oil ing maintained by production, operations or ead from said Land within the meaning of paragraphs. | of the proceeds received from the sale of all the proceeds received from the sale of all ting for the field where produced on the Lessor's interest shall bear one-eighth of all trucking charges; (b) on gas, including ce, produced from said Land and sold on used provided the market value shall not be one-eighth of the net proceeds received osts incurred in marketing the gas so sold crests, including, without limitation, nonons hereof, shall be paid from the royalty may conduct hereunder, including water or gas in paying quantities on said Land otherwise, this lease shall not terminate agraph 2 herein. However, in this event |
| hereunder regardless of changes in ownership of said land or shut-in royalty payments) a sum determine provided however, in the event said well is located on a unit comprised of all or a portion of said Land a   |  | y bank for all shut-in royalty payments  |

provided, pay or tender such royalty or shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee shall have the right and power in its discretion to pool or combine, as to any one or more strata or formations, said Land or any portion of said Land with other land covered by this lease or with other land, lease or leases in the vicinity thereof. The above right and power to pool and unitize may be exercised with respect to oil, gas or other minerals, or any one or more of said substances, and may be exercised at any time and from time to time during or after the primary term, and before or after a well has been drilled, or while a well is being drilled. Pooling in one or more instances shall not exhaust the rights of Lessee to pool said Land or portions thereof into other units. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Units pooled for oil hereunder shall not substantially exceed 80 acres each in area plus a tolerance of 10% thereof, and units pooled for gas hereunder shall not substantially exceed in area fel acrese each, plus a tolerance of 10% thereof, provided that should governmental attherity having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. The pooling for gas hereunder by Lessee shall also pool and unitize all associated liquid hydrocarbons and any other respective constituent elements as may be produced with the unitized gas, and the royalty interest payable to Lessor thereon shall be computed the same as on gas. With respect to any such unit so formed, Lessee shall execute in writing an instrument or instruments provision, then such unit shall become effective on the date provided for in

fail or refuse to accept such payment, Lessee shall re-tender such payment within thirty (30) days following receipt from Lessor of a proper recordable instrument naming another bank as agent to receive such payment or tenders. Such shut-in royalty payment shall be due on or before the expiration of ninety (90) days after (a) the expiration of the primary term, or (b) the date of completion of such well, or (c) the date on which oil or gas ceases to be sold or used, or (d) the date this lease is included in a unit on which a well has been previously completed and shut-in or

completion of such well, or (c) the date on which oil or gas ceases to be sold or used, or (d) the date this lease is included in a unit on which a well has been previously completed and shut-in or (e) the date the clase ceases to be otherwise maintained, whichever be the later date. It is understood and agreed that no shut-in royalty payments shall be due during the primary term. In like manner and upon like payments or tenders on or before the next ensuing anniversary of the due date for said payment, the Lessee shall continue to pay such shut-in royalty for successive periods of one (1) year each until such time as this lease is maintained by production or operations. However, if actual production commences within the applicable 90 day period, a shut-in royalty payment shall not be required or, if a shut-in royalty payment is tendered, no additional shut-in payment will be due until the next ensuing anniversary of the due date for said tendered payment regardless of how many times actual production may be commenced and shut-in during such one (1) year period. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as shut-in royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease. Lessee agrees to use reasonable diligence to produce, utilize or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities, other than well facilities and shall not be required to settle lubor trouble or to market aga upon terms unaccentable to Lessee. Lessee pays or

ordinary lease facilities of flowline, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If at any time Lessee pays or tenders royalty or shut-in royalty as hereinabove provided, two (2) or more parties are, or claim to be, entitled to receive same, Lessee may, in lieu of any other method of payment herein

32.00 1411130 such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said county at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests

- in said county at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 5 with consequent allocation of production as herein provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of said Land.

  (b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the land herein leased, without Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as though such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the Railroad Commission of Texas. The unitization agreement shall include other provisions designed to allow for operations of the unitized area in an orderly manner and Lessor hereby agrees that all prov shall be computed on the basis of the production allocated to the portion of the above described land included within such unitized area after excluding therefrom any oil or gas used in the
- 6. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease in order to have necessary access to the stratage of the lease in order to have necessary access to the stratage of the lease in order to have necessary access to the stratage of the lease in order to have necessary access to the stratage of the lease in order to have necessary access to the lease in order to have necessary access to the lease in order to have necessary access to the lease in order to have necessary access to the lease in order to have necessary access to the lease of the lease in order to have necessary access to the lease in order to have necessary access to the lease in order to have necessary access to the lease in order to have necessary access to strata of the leased premises which remains in force and on which Lessee continues to conduct operations.

  7. If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from
- any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such operations or commences any other operations with no cessation of operations of more than ninety (90) consecutive days, and if such operation or other operations result in the production of operations or commences any other operations with no cessation of operations of more than ninety (90) consecutive days, and if such operation or other operations result in the production of oil, gas or other minerals, this lease shall remain in full force and effect for so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. It is understood and agreed that if, during the primary term hereof, all operations or production ceases on said Land or leases pooled therewith, this lease shall nevertheless remain in full force and effect during the paid-up primary term hereof. If, at the expiration of the primary term, oil, gas or other minerals is not being produced on said Land or on acreage pooled therewith and there are no operations on said Land or on acreage pooled therewith but operations or production ceased within 90 days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of said cessation of production or operations. If after the expiration of the primary term, Lessee completes either (a) an oil well on land other than said Land and which other land and all or a portion of said Land has been included in a gas unit that was formed prior to the expiration of the primary term of this lease, or (b) a gas well on land other than said Land and which other land and all or a portion of said Land has been included in an intention of the primary term of this lease, this lease shall remain in force so long as operations on said valler operations on any additional wall or serious production of the remain in force so long as operations of said control of the primary term of this lease this lease this lease shall remain in force so long as operations on any additional wall or provided in a position of the primary term of this lease this lease this lease shall remain in force so long as operations on any additional wall or a portion of the primary term of this lease this lease shall remain in f of this lease, this lease shall remain in force so long as operations on said well or operations on any additional well on said Land or acreage pooled therewith are prosecuted with no cessation of more that ninety (90) consecutive days and if they result in the production of oil, gas or other mineral, so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. For all purposes herein, if an oil well on an oil unit, which includes all or a portion of said Land is reclassified as a gas well, or if a gas well on a goal unit, which includes all or a portion of the leased premises, is reclassified as an oil well, the effective date of such reclassification shall be considered as the date of cessation of production from said well. If during the term of this lease, a well or wells should be drilled and completed as a producer of oil or gas in paying quantities and such well or wells are located on adjacent land and within 330 feet of and draining said Land, Lessee agrees, at its option to either (a) drill such offset well or wells, as an ordinary prudent operator would do under similar circumstances, or (b) release the affected acreage or stratum in accordance with the provisions of paragraph 6 herein; and, in this connection, it shall be considered that no drainage exists. However, there shall be no express or implied duty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing and operation expenses
- 8. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all property and fixtures placed by Lessee on said Land, including the right to draw and remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow depth. No well shall be drilled within two hundred (200) feet of any residence or barn now on said Land without Lessor's consent.
- 9. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in such ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligation or diminish the right of Lessee, and no change or division in such ownership shall be binding on Lessee until thirty (30) days after Lessee shall have been furnished, by registered U. S. mail at Lessee's principal place of business, with a certified copy of recorded instrument or instruments evidencing same or evidence satisfactory to Lessee, If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties,
- instruments evidencing same or evidence satisfactory to Lessee. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties, or part thereof, to the credit of the decedent in a depository bank provided for above. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of this lease or of a portion thereof who commits such breach. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument, executed by all such parties, designating an agent to receive payment for all.

  10. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease, nor cause a termination or reversion of the estate created hereby, nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have ninety (90) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of ninety (90) days after service of said notice shall be precedent to the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations, it shall in no event be required to drill more than one well per eighty (80) acres, plus
- state, federal or other laws, Lessee may withhold taxes with respect to royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for credit to Lessor. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the oil, gas or other minerals on, in or under said Land
- Lessor. Without impartment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in the on, gas of our immertant on, in or based state less than the entire fee simple estate, then the shut-in royalties and royalties to be paid Lessor shall be reduced proportionately.

  12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or State law, or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so prevented
- shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

  (b) The specification of causes of force majeure herein enumerated shall not exclude other causes from consideration in determining whether Lessee has used reasonable diligence wherever required in fulfilling any obligations or conditions of this lease, express or implied, and any delay of not more than six (6) months after termination of force majeure shall be deemed
- (c) All terms and conditions of this lease, whether express or implied, shall be subject to all Federal and State Laws, Executive Orders, Rules, or Regulations; and this lease shall ot be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order,

Rule or Regulation.

13. This lease states the entire contract between the parties, and no representation or promise, verbal or written, on behalf of either party shall be binding unless contained herein; and this lease shall be binding upon each party executing the same and their successors, heirs, and assigns, regardless of whether or not executed by all persons above named as "Lessor". IN WITNESS WHEREOF, this instrument is executed on the date first above written Grande Whotsen LESSOR LESSOR LESSOR LESSOR **TEXAS** STATE OF TARRANT W. 22, 2009 Gary R Whitsell, II, and wife Brandy Whitsell This instrument was acknowledged before me on Notary Signature: Printed Name: **TEXAS** Notary Public, State of

My Commission Expires:

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## **EXHIBIT "A"**

Attached to and made a part of that certain Oil, Gas and Mineral Lease dated the 22nd day of January, 2009 by Gary R Whitsell, II, and wife Brandy Whitsell, as Lessor and Devon Energy Production Company, L.P., as Lessee.

- 1. <u>Royalty</u>: Notwithstanding anything contained in this lease to the contrary, wherever the fraction "one-eighth" (1/8th) appears in the printed portion of this lease the same is hereby amended to read "twenty-five percent" (25%).
- 2. <u>Term</u>: Notwithstanding anything contained in the Lease to the contrary, in Paragraph 2, the primary term is hereby amended to read "Two (2) years" and the words "Three (3) years" shall hereby be deleted.
- 3. <u>Costs.</u> It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease or by state law shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, or marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, in the event Lessee determines in good faith that it can obtain a higher price at a market located outside of the local market, and Lessee incurs transportation costs charged by an unaffiliated interstate or intrastate gas pipeline in order to enhance the value of the oil, gas or other products, Lessor's pro rata share of such costs may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than the price received by Lessee.
- 4. Assignment. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. In the event of an assignment of any portion of Lessee's interest hereunder, with the exception of assignments being made to officers, directors, and/or subsidiaries of Lessee, Lessee shall deliver to Lessor a copy of the recorded document regarding the interest so assigned. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this Lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this Lease then held by each.
- Maiver of Surface Use; Water; Seismic Operations. Notwithstanding anything to the contrary in this Lease, Lessee shall not enter upon the surface of, cross over, place any structure or building upon or conduct any operations (except for geophysical/seismic operations as stated below) on the leased premises. Lessee shall only develop the leased premises by pooling, as provided herein, or by directional or horizontal drilling commenced from a surface location on other lands. Lessee shall make all reasonable efforts not to use residential or neighborhood streets or thoroughfares in developing the leased premises, and lands pooled therewith, or otherwise.

Lessee shall not have or acquire any rights in and to the water from the leased premises. No surface water or underground fresh water from the leased premises will be used for any reason,

including water flood or pressure maintenance purposes. Lessee shall comply with all applicable rules in disposition of salt water, brine, or other fluids utilized in or resulting from operations, and shall not cause or permit any such substances to damage or pollute the surface of the leased premises or any fresh water sands lying thereunder. The leased premises shall not be used for salt water disposal.

As provided above, Lessee shall have the right to conduct geophysical/seismic operations, but only by utilizing the vibroseis method, and Lessee shall pay for all actual damages incurred to the leased premises, which directly result from geophysical seismic operations.

Nothing in this Lease shall be interpreted as a waiver by Lessor of any setback or other requirements under the drilling or other applicable ordinances of the Cities of Burleson and/or Ft. Worth or the counties of Johnson and/or Tarrant.

- 6. <u>Noise.</u> Noise levels associated with Lessee's operations related to the drilling, completion and reworking of wells shall be kept to a reasonable minimum, taking into consideration reasonable available equipment and technology in the oil and gas industry, the level and nature of development and surface use elsewhere in the vicinity of Lessee's drill sites and the fact Lessee's operations are being conducted in or near an urban residential area. If Lessee utilizes any non-electric-powered equipment in its operations, including but not limited to compression equipment, Lessee shall take reasonable steps to muffle the sound therefrom by installing a noise suppression muffler or like equipment.
- Regulatory Requirements and Force Majeure. Lessee's obligations under this Lease, whether express or implied, shall be subject to all applicable laws, rules regulations and orders of the Cities of Burleson/Ft. Worth and any other governmental authority having jurisdiction including restrictions on the drilling, and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate because of such prevention or delay, and at Lessee's option, the period o such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this Lease when drilling, production or other operations are so prevented, delayed or interrupted. Lessee shall take all reasonable actions to remove or end any cause of Force Majeure for a period of more than eighteen (18) months or three (3) years of cumulative time. No obligation of Lessee to pay money that has accrued and was due before the Force Majeure event occurred under this Lease will be excused or delayed by reason of such Force Majeure.
- 8. <u>Indemnity.</u> LESSEE SHALL INDEMNIFY AND HOLD HARMLESS LESSOR, AND LESSOR'S REPRESENTATIVES, SUCCESSORS, AND ASSIGNS FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, LOSSES AND DEMANDS FOR DAMAGE TO PROPERTY, PERSONAL INJURY OR DEATH, AND EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES, EXPERT FEES AND COURT COSTS, ARISING DIRECTLY OR INDIRECTLY FROM ACTIONS, INACTIONS OR OCCUPANCY OF THE LEASE PREMISES OR LANDS POOLED THEREWITH OF AND BY LESSEE OR ITS ASSIGNS OR THE AGENTS, EMPLOYEES, CONTRACTORS OR INVITEES OF EITHER OF THEM.
- 9. <u>Notices; Right to Cure.</u> All notices required or contemplated by this Lease shall be provided in writing to the individual Lessees. All such notices shall be made by registered or certified mail, return receipt requested, unless another means of delivery is expressly stated. No litigation shall be initiated by Lessor with respect to any breach of default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this Lease shall not be forfeited or canceled in whole or part unless Lessee is given a reasonable time (not to exceed 90 days) after said judicial determination to remedy the breach or default and Lessee fails to do so.

Waiver of Claims and Neighborhood Association and Committee Members. Lessor acknowledges that the terms of this Lease, the amount of the royalty and bonus paid hereunder, and all other terms negotiated with Lessee (herein the "Negotiated Terms") with respect to this Lease, were obtained as a result of negotiations between Lessee and the Community consisting of a committee of unpaid volunteers hereafter known as Committee Members. In consideration of the efforts spent by Committee Members in negotiating and obtaining the Negotiated Terms on behalf of Lessor and other property owners, Lessor, on behalf of the Lessor and the Lessor's agents, spouses, co-owners, predecessors, parents, subsidiaries, affiliated corporations or other affiliated entities, successors, partners, principals, assigns, attorneys, servants, employees, heirs, consultants, and other representatives, does hereby release and forever discharge Committee Members, from any and all claims, demand, obligations, losses, causes of action, costs, expenses, attorney's fees, and liabilities of any nature whatsoever, whether based on contract, tort, statutory or other legal or equitable theory of recover, whether known or unknown, past present, or future, which Lessor has, has had, or claims to have against the Committee Members.

SIGNED FOR IDENTIFICATION:

Gary R Whitsell, II

Brandy Whitsell



DEVON ENERGY PRODUCTION CO. LP PO BOX 450

**DECATUR** 

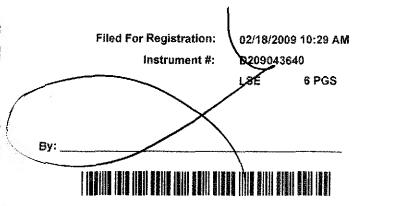
TX 76234

Submitter: DEVON ENERGY

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$32.00



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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